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RHEHNSC/WHITE HOUSE NSC WASHDC
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C O N F I D E N T I A L ASUNCION 000261

SIPDIS

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STATE FOR WHA/BSC, INL/LP (JIM HIDES)
EB/IFD/OIA
STATE PASS TO USAID FOR LAC/AA
STATE PASS TO USTR FOR LYANG
NSC FOR SUE CRONIN
TREASURY FOR OSIA MAUREEN WAFER
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR
COMMERCE FOR ITA SARAH COOK
SOUTHCOM FOR POLAD

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SUBJECT: PARAGUAY POLITICAL AND ECONOMIC UPDATE MARCH 24 -
30, 2007

REF: ASUNCION 0241

Classified By: DCM MICHAEL J. FITZPATRICK; Reasons 1.4(b),(d)

[1](#)1. (U) SUMMARY:

- Ethics Tribunal Earns Credibility
- SEN Gets Korea Donation; Poll Says 300k Dengue Cases
- Police and Protesters Clash; 40 Reported Injured
- Vice President looks at USAID Health program

ETHICS TRIBUNAL EARNS CREDIBILITY

[1](#)2. (C) Esteban Armando Kriskovich, Director of the Judicial Ethics Office, and members of the Judicial Ethics Tribunal told PolOff and USAID officials March 29 that they have noticed a huge change in conduct by judges recently. The Tribunal has received dozens of ethics calls from judges in the past several days after the unprecedented ruling against three Supreme Court Justices for violating ethics rules March 21 (ref A). Justices Torres Kirmser, Riensi and Nuez violated articles 10, 12, 14, 19 and 22 of the Code of Ethics when they attended the birthday party of Colorado Senator Juan Carlos Galaverna in December. These articles prohibit judges and other magistrates from participating in political activities and oblige them to maintain the public perception of judicial independence. Kriskovich also noted that in just five months - since the Tribunal members were selected - the Tribunal has ruled on 25 separate cases and are in the process of investigating 5 new cases since January. More than 600 judges have recused themselves of party affiliation since the Ethics Code became effective in late 2005, according to Kriskovich.

KOREA DONATES MILLION TO FIGHT DENGUE

[1](#)3. (U) The Korean Agency for International Cooperation (KOICA) announced it is donating USD one million to the National Emergency Secretariat (SEN) to modernize its disaster response system. This announcement comes on the heels of reports that the general public believes the

government failed to respond appropriately to the dengue epidemic. A recent poll released by the government indicates some 300,000 persons are/were infected with dengue in the Central Department region alone. Oscar Martinez, the Minister of Health, announced that he will study the data from the poll and consult with experts.

POLICE AND PROTESTERS CLASH; 40 REPORTED INJURED

¶4. (U) The Homeless Movement held a protest March 27 that sparked violent clashes with police leaving 40 persons injured and nine persons arrested. The violence broke out when the protesters tried to reach the presidential residence (across the street from the Embassy compound) to demand President Duarte comply with an agreement to build low-cost housing.

¶5. (U) In a separate, more peaceful demonstration, the National Peasant Federation held its 14th annual demonstration March 27 in front of Congress. Odilon Espinola, Secretary General of the group, advocated a "protest vote" claiming that the current system only supports those in power and has not resolved the country's problems.

VICE PRESIDENT LOOKS AT USAID HEALTH PROGRAM

¶6. (U) Vice President Luis Castiglioni joined the Ambassador and the USAID Director last week in a two-day field review of highly-successful health decentralization programs in Itapua and Misiones. These USAID-supported health systems (social pharmacies, medical care, and insurance) are serving more than 25,000 families now in four departments, with dramatic improvements in citizen access, quality of care, and infrastructure all stemming from local management and

supervision of services. In his public remarks in both departments, VP Castiglioni called the program a vital success and a clear example of why decentralization is a central theme in his vision for governing.

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